November 1983

Behind TV's Morning News

PUBLIC RELATIONS

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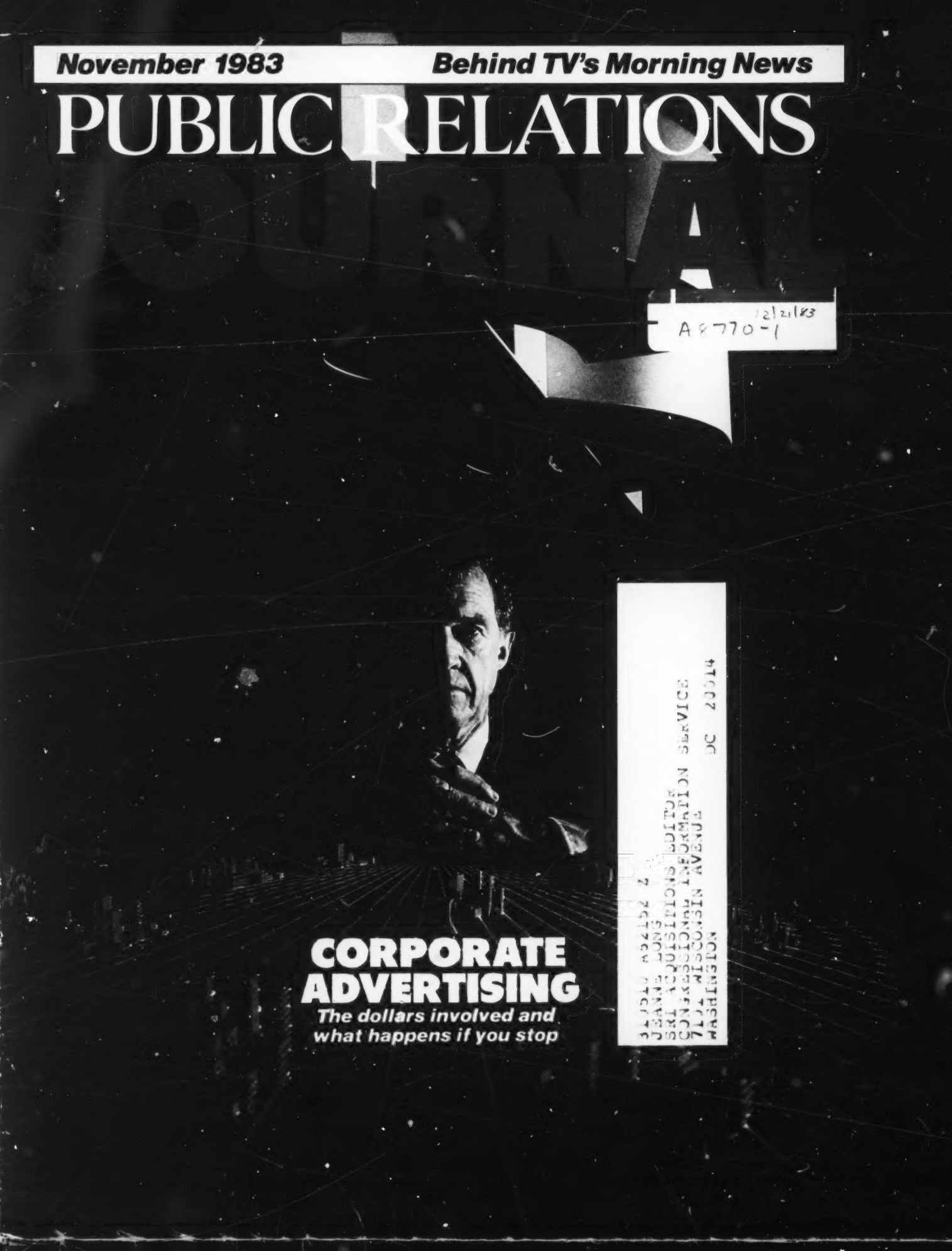

CORPORATE ADVERTISING

The dollars involved and what happens if you stop

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WHAT HAPPENS WHEN CORPORATE AD BUDGETS ARE CUT?

Thomas F. Garbett

Q: What happens to companies that stop their corporate advertising programs?

A: Maybe nothing—at first. But down the line, corporate reputations can suffer.

A corporate ad "believer" could use the findings of a recent study to make the point that investor confidence levels dropped dramatically for companies that stopped corporate advertising during the recession. On the other hand, based on evidence from the same study, the argument can be made that when a company discontinues corporate advertising, no one really notices. Neither conclusion, however, accurately reflects the mixed results of the study, or explains what they really mean.

Last spring I conducted a telephone survey among 33 companies that had been corporate advertisers, but that appeared to have stopped during the 1982 recession [*see table*]. In each case the corporate communication director, advertising director or advertising manager was asked to respond to items from a two-page questionnaire.

In all, I completed 25 interviews with companies that had stopped or sharply cut back their corporate advertising during the recession. The first level of finding: Three stopped in the first half of 1981; 11 stopped by the end of 1981; nine stopped within the first three months of 1982; two multi-industry companies cut back in stages, as their different divisions felt the effects of the recession.

Eight of the companies surveyed had corporate advertising programs in place for over 10 years; the average for all companies was over five years. Only seven companies had campaigns for two years or less. The longevity of the programs suggests that most of the companies had been serious corporate advertisers and did not drop out lightly.

When asked about the objectives of their corporate advertising campaigns, 15 of the companies said the programs were intended principally to gain a favorable position before investors. Five companies cited multiple objectives, including market preparation and good citizenship. Eleven of the companies, including those with financial objectives, said their ad campaigns were used primarily to air issues of concern to the corporation.

Reasons for canceling

The reason most frequently given for canceling the ad programs was financial. But when that word was examined, it was clear that "financial"

Mr. Garbett is senior vice president, Doyle Dane Bernbach, New York City, and author of "Corporate Advertising: The What, the Why and the How" [McGraw-Hill, 1981].

Some Companies That Curbed Corporate Advertising In 1982

Alcoa	Continental Corp.	Perkin-Elmer Corp.
Amax Inc.	Dravo Corp.	Phelps Dodge Corp.
AMF Inc.	W.R. Grace & Co.	RCA Corp.
Amoco	Kidde Inc.	Rexnord Inc.
Amsted Industries, Inc.	Lone Star Industries, Inc.	Reynolds Metals Co.
Arco	LTV Corp.	Textron Inc.
Armco, Inc.	The Mead Corp.	Tiger International, Inc.
Asarco Inc.	Midland-Ross Corp.	The Timken Co.
Beatrice Foods Co.	National Gypsum Co.	The Trane Co.
Boise Cascade Corp.	Northwest Industries, Inc.	Union Pacific Corp.
Chesebrough-Ponds Inc.	Panhandle Eastern Corp.	The Williams Companies

meant different things to different companies: a simple cash-flow problem; a company-wide budget cutback; a balance sheet that looked so bad the company felt it inadvisable to continue to draw Wall Street's attention. The latter reason was given most often by companies in depressed industries, *e.g.*, building and forest products.

In fact, one company cut back corporate advertising despite a fair earnings record because its industry was considered a disaster area; the company was waiting for an industry turnaround. Interestingly, however, another company, National Gypsum, decided to rethink its whole program, moving from a financial campaign to an issues campaign to stimulate home building. Their ads, launched this fall, ask, "Where will our children live?"

Companies hit particularly hard by the recession also gave the high visibility of corporate advertising as their financial reason. One respondent asked, "How can you continue to advertise when the stockholders have just gotten a dividend cut to 5 cents?" Another told me, "How can we close plants, lay off hundreds of workers and talk to the unions about economies, then continue what they consider a costly ad program that doesn't sell products? Not that the campaign costs so much. Relative to the rest of our business it doesn't amount to that big a saving, but it is hard to show austerity when something is that visible to employees and stockholders."

In contrast, other companies not included in the survey, *e.g.*, Manville, International Harvester and Caterpillar, used substantial corporate advertising to directly confront their severe financial problems.

Did the financial reasons for cutting corporate advertising extend to other corporate communication activities? Eight of the companies surveyed maintained other communication programs. Eleven continued the activities on a smaller scale. Generally, regular investor relations activities such as analyst meetings, press releases and stockholder notices were continued, but at reduced levels and/or less expensively produced. Only four of the companies cut out just about everything. One company maintained its budget for communications but switched to other less visible tools, with the rationale, "We need the exposure, we need to communicate, we just don't want to look like we're doing it."

Tracking results

Considering the popularity of tracking studies among corporate advertisers, it was surprising to find that only 14 of the 25 companies had conducted any studies at all prior to canceling their programs. And several of these companies gave the impression that the research was rather haphazard. However, eight of the companies that conducted studies said the campaigns generated positive results up until the time they were stopped.

Only four companies continued their studies after corporate advertising was suspended in an effort to determine the effect of the hiatus. Most were unable to do this because the budget cuts wiped out research as well. Unfortunately, the four companies that continued tracking studies held specific results proprietary. One company, whose campaign was strictly to the financial community, would make no statement at all. The other three, whose campaigns were more broadly based, said that loss of the corporate advertising campaign had negative and trackable effects:

> "Everything [awareness and & attitudes] dropped about 5 percent."

> "The downward effect was pretty much across the board and it was very noticeable."

> "There has been no real drop in awareness statistically, but elements and attributes from the study moved around a great deal." The company also said its image with the public was changing.

Of the companies that did not conduct formal research during the hiatus, most were willing to give examples of the effect of no corporate advertising. I quickly learned that the question, "Did anyone notice when you cut out the advertising?" was just feeding them a straight line for the response, "Yeah, the space reps!" Changing the question to, "Did anyone notice you stopped advertising besides space reps?" may have negatively biased the response. But almost all the companies said that very few people noticed or commented.

Apparently, as one of my former teachers never learned, you can't ask those who are absent to please stand up. You can't expect to quietly discontinue communicating and expect a lot of response. Two companies were asked at analyst meetings whether they had discontinued their campaigns. The companies could not tell if analysts viewed the suspensions as a sound move or a sign of weakness. In a few cases employees noticed the absence of corporate advertising, but they worked for companies that had made severe staff cutbacks.

A company that gradually cut back an issue campaign that had drawn a considerable volume of letters from the public reported, "The level of response dropped with alarming speed each time we cut the budget." Another company that stopped its corporate/financial ads observed: "We follow our stock ownership very closely. When we first started the campaign we saw a lot of new names on the list. We now seem to have lost a lot of individual investors. Our stock is not as broadly held as it was." A company that cut out its multiple objective program told me, "We know we have lost familiarity, and higher familiarity carries a higher multiple."

Investor confidence

Disappointed by the paucity of tracking study results and recognizing that most of the corporate campaigns had, at least in part, been addressed to the financial community, I thought it would be interesting to see how these companies fared in the *Barron's* (Dow Jones) *Regular Investor Confidence Tracking Study*. The publication conducts a quarterly survey among its subscribers to get their opinions on investments. Mailings of approximately 1,000 are made and response is typically 60 percent or better. From a check list of 21 industries (conglomerates are considered a separate industry category) respondents are asked to choose those they would consider for investment [*see table*]. Then, on an unaided basis, respondents are asked to name specific companies they feel represent good investment value within each industry.

Results were available for 28 of the original 33 companies in my survey. Sixteen showed a drop in total number of mentions from the fourth

[*Continued on page 31*]

How 1982 Recession Affected Confidence In Industry

Industry	Investor Confidence by Number of Mentions 4th Quarter 1981	4th Quarter 1982	Percent Change
Automotive Manufacturing	81	121	49.4%
Aviation	150	125	-16.7
Banking/Finance Services	184	145	-21.2
Building Materials	81	116	43.2
Chemicals/Plastics	144	114	-20.8
Communications	241	239	-0.8
Computers/Electronics	323	307	-4.9
Conglomerates	173	98	-43.3
Electronics (not tracked until 1982)	—	—	—
Food/Beverages/Tobacco	161	153	-4.9
Industrial Machinery	81	32	-60.5
Insurance	83	68	-18.1
Medical	136	123	-9.5
Metal Manufacturing	78	51	-34.6
Mining/Drilling	153	55	-64.0
Office Equipment	43	101	134.9
Packaging/Paper Products	63	62	-1.6
Petroleum/Gas	394	220	-44.2
Pharmaceuticals	137	167	21.9
Public Utilities	247	159	-35.6
Transportation	147	98	-33.3
Totals	**3,100**	**2,554**	**-17.6%**

Source: Barron's Regular Investor Confidence Tracking Study

quarter 1981 to the fourth quarter 1982. Six companies remained unchanged and six showed an increase in mentions. In 1981, the aggregate number of mentions for the 28 companies was 569. By the end of 1982 that number had dropped to 466, an 18 percent loss in total number of mentions. Recognizing that a drop in investor confidence during this period was to be expected, I checked and found that, for the same time period, the drop for all respondents to the *Barron's* survey was 17 percent.

To examine this point further, I identified 20 corporate advertisers that had continued their campaigns during 1982. According to *Barron's*, total number of mentions for those companies was 1,192 by the last quarter of 1982, a 13.6 percent increase in confidence level over 1981. So it was indeed possible for some companies to improve their positions during the 1982 recession. However, the generally higher 1981 base from which these corporate advertisers started reflected a stronger position going into the recession year.

Moreover, an examination of the continuous advertisers by industry showed a number in businesses that fared better than others during the recession. To some degree, then, these results may reflect the chicken-or-egg relationship so typical of corporate advertising research. Did the companies advertise because they were successful or were they successful because they advertised?

Although many individual companies have evidence, backed by research, of success in improving investor perceptions, attempts to track the stock performance or investor-confidence levels of corporate vs. non-corporate advertisers generally have resulted in mixed findings. This is due largely to the various financial conditions the companies are in to start with. Some companies in poor financial shape, even in bankruptcy, use corporate advertising to fight their way out of the problem. Other companies enjoying a particularly strong financial period may launch a new corporate campaign at the height of a cycle about to take a downturn. The result is a statistical muddle that has confused corporate researchers.

Yet, despite all the roadblocks to definitive research, there appears to be a positive effect from continuing corporate advertising through a recession. Discontinuing a corporate ad program probably will not result in any immediate, discernible harm. However, there likely will be an erosion in awareness of the corporation and a gradual departure from any positive attitudes generated during the corporate program.

An economic tool

The scanty tracking research conducted by respondents may have contributed to the vulnerability of their campaigns. Evidence of advertising's contribution seemed lacking, although many of the programs had been running for years. Without proper research to measure effectiveness, corporate advertising's benefits, though real, often are lost among other elements in the communication mix.

Despite this lack of direct proof, corporate advertising frequently is the most economic communication tool. The Securities and Exchange Commission requires disclosure of corporate activities likely to affect earnings. Through corporate advertising, those activities can be communicated in a more direct and forceful way, thus helping to ensure proper evaluation in the market.

Logic suggests that attracting attention by advertising is not productive when no such positive corporate activities exist, or when growth prospects are poor. Advertising for other reasons, however, may still be entirely appropriate. Examples include image correction or market preparation for a new product line.

It is unlikely that a universal rule governing the use of corporate advertising will ever be formulated. The decision to use corporate advertising must continue to be made on an individual basis, and rely, as it has in the past, on the complete appraisal of the company, its industry and existing market conditions. ■

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CORPORATE ADVERTISING

PRJ's 12th annual survey of expenditures and trends reveals first significant cutback by companies since 1975, substantial increase by trade associations

COMPANY corporate advertising expenditures in six media last year fell off 4.5 percent from 1981, while trade association outlays increased 18.6 percent, according to *PRJ*'s 12th annual survey of corporate advertising expenditures.

Company spending, as *PRJ* tracks it, increased steadily between 1976 and 1980, and plateaued in 1981 [*see Table 1, page 34*]. The drop in 1982, although not dramatic, was the first decrease of any significance since 1975, when company spending dipped 6 percent. Of the six media surveyed—consumer magazines, network television, spot television, radio, Sunday supplements, and outdoor advertising—companies cut back spending in two categories: consumer magazines, down nearly 18 percent in 1982 after a 14 percent gain in 1981; and spot TV, off some 30 percent after holding its own in 1981.

Three media showed substantial gains in company corporate advertising dollars: Sunday magazines, up 44 percent; radio, 42 percent; and outdoor, 38 percent.

PRJ's figures for 1976-82 show that the media companies consistently have favored for their corporate messages are consumer magazines, network TV and spot TV, in that order. These spending preferences continued into 1982, with network TV cornering some 37 percent of aggregate 1982 company outlays. Consumer magazines, including such business publications as *Business Week*, *Fortune*, *Forbes*, and *Dun's Business Month*, got the biggest piece of the pie—51 percent of total company dollars in six media, despite a setback in 1982.

Table 2 [*page 34*] shows that consumer magazines, network TV and spot TV were again the most-used media by companies in the first half of 1983, and that by last June company spending was running slightly less than half the 1982 total.

Associations relied most heavily on these same three media in 1982, but in reverse order: Spot TV commanded 56 percent of total association six-media dollars, and spot spending was up some 27 percent last year; network TV got a 23 percent share of the total and a more than 20 percent increase over 1981; consumer magazines, associations' third preference, stayed even with the previous year.

Associations' 1982 expenditures in the other media showed Sunday magazines up 20 percent, radio up nearly 4 percent, and outdoor down almost 8 percent. Figures for January-June 1983 [*Table 2*] suggest that associations' total spending in six media this year will not depart greatly from 1982, and spot TV and outdoor appear to have made gains at the half-year mark.

Data for *PRJ*'s annual survey are compiled exclusively for the *Journal* by Leading National Advertisers (New York). Data are collected from Publishers Information Bureau (magazines and supplements), Broadcast Advertising Reports, and the Institute of Outdoor Advertising. Outdoor expenditures represent national poster and paint advertising in plant operator markets of over 100,000 population. Spot TV expenditures are determined by monitoring 260 stations in 75 top markets.

Since figures are for one-time rates and do not take discounts into consideration, they are higher than actual expenditures. It also must be considered that often it is difficult to determine which advertisements are corporate.

The top ten

The top 10 company corporate advertisers for 1982 [*Table 3, page 36*] together invested some $172 million in corporate advertising, 13.7 percent more than in 1981. The list includes five companies in high-technology industries, two in automotive, two in oil and one in chemical.

Ford Motor Co. heads the top 10, jumping from 7th in 1981. Ford is followed by AT&T, which stepped down from number one in 1981. Among the companies in high-tech industries, GTE held 6th place in 1982, advancing from 10th in 1981; IBM, Xerox and ITT, three companies that did not appear on the 1981 list, hold 4th, 8th and 10th positions respectively. Exxon, Texaco and Sears Roebuck, among the top 10 in 1981, did not make a showing last year.

None of the top 10 companies cut back total corporate advertising spending in 1982, and three media show substantial gains over 1981: Sunday magazines, up 592 percent; radio, 26 percent; and network TV, close to 20 percent.

Table 5 [*page 38*] shows some new faces in the top 10 companies for January-June 1983—Pfizer, Chrysler and Amerco. Shell Oil, Phillips Petroleum and Xerox, among the top 10 in 1982, are absent from the list for the first half of this year.

The top 10 association corporate advertisers [*Table 4, page 36*] collectively spent $142 million in the six media in 1982, 25 percent more than in 1981. In individual media, last year associations increased network TV outlays by 59 percent over 1981 and upped spot TV expenditures by 28 percent. American Dairy Association, the sole radio advertiser in 1981 and 1982, expanded spending in that medium by 107 percent. Associations clamped down in two media—consumer magazines showed a 40 percent loss from 1981 and Sunday magazines got a 75 percent cut.

The rundown for last year's top 10 associations was dominated by automotive dealers. General Motors Corp. Dealer Associations lead the pack, and have since 1977, according to *PRJ*'s annual surveys. GM Dealers Associations also headed the top 10 list for January-June 1983 [*Table 6, page 38*]. New to the top 10 in 1982 were National Federation of Coffee Growers (6th in 1982 and 8th in January-June 1983), and Subaru Dealer Associations (7th in 1982 and in January-June 1983). Commonwealth of Puerto Rico and Blue Cross & Blue Shield Associations, 9th and 10th respectively in 1981, did not make a showing in 1982 but reappeared in the top 10 for the first half of this year.

Major spending shifts

The 4.5 percent drop in total company expenditures [*Table 1*] does not reflect the major spending shifts that occurred in 1982; some industries slashed corporate advertising budgets and others stepped up activities. For example, expenditures by oil companies are down. Exxon and Texaco, both longstanding members of *PRJ*'s top 10 company advertisers, dropped off in 1982. The new high rollers are companies in the office-equipment/high-tech industries—witness the addition of IBM, Xerox and ITT, and GTE's leap to 6th place from 10th in 1981.

These developments seem to reflect the current shift in preferences for corporate advertising forms—advocacy is waning and market preparation is waxing. The automotive industry, for instance, is spending more on corporate advertising as companies move to enhance their images as producers of quality merchandise. Ford, 7th among the top 10 in 1981, moved to number one in 1982 and accelerated corporate advertising spending by 268 percent over the previous year. General Motors held 3rd place in 1981 and in 1982, but increased expenditures last year some 57 percent.

The heavier use of corporate advertising by the automotive and high-tech industries may have kept consumer magazines from showing an even sharper drop in corporate advertising dollars [*Table 4*], and also may account for the increase in company expenditures in network TV.

Peg Dardenne

Table 1: Six-Media Advertising Expenditures, 1976-1982

Company Advertising (in $ thousands)

	1976	1977	Percent Change	1978	Percent Change	1979	Percent Change	1980	Percent Change	1981	Percent Change	1982	Percent Change
Consumer magazines	$115,750.4	$133,362.6	15.2%	$155,025.4	16.2%	$197,641.5	(27.5%)	$217,869.7	10.2%	$249,152.0	14.3%	$205,300.1	(17.6%)
Sunday magazines	6,256.7	5,750.6	(8.1%)	3,908.7	(32.0%)	6,152.5	57.4%	4,310.3	(30.0%)	5,264.1	22.1%	7,593.8	44.3%
Network television	104,971.7	125,157.8	19.2%	138,214.0	10.4%	152,551.3	10.4%	159,947.3	5.0%	118,794.7	(25.7%)	150,102.9	26.4%
Spot television	63,697.9	61,420.4	(3.6%)	31,903.3	(48.1%)	31,366.7	(1.7%)	39,260.1	25.1%	40,395.2	2.9%	28,118.1	(30.4%)
Radio	1,236.6	2,897.5	134.3%	1,210.9	(58.2%)	5,700.0	370.7%	7,409.7	30.0%	7,866.4	6.2%	11,175.2	42.1%
Outdoor	811.6	679.1	(16.3%)	454.0	(33.1%)	452.8	(.3%)	470.7	4.0%	665.2	41.3%	918.0	38.0%
Six-media totals	$292,724.9	$329,268.0	12.5%	$330,716.3	0.4%	$393,864.8	19.1%	$429,267.5	9.0%	$422,137.6	(1.6%)	$403,208.1	(4.5%)

Association Advertising (in $ thousands)

	1976	1977	Percent Change	1978	Percent Change	1979	Percent Change	1980	Percent Change	1981	Percent Change	1982	Percent Change
Consumer magazines	$ 22,490.9	$25,561.3	13.7%	$32,575.8	27.4%	$45,919.5	41.0%	$48,359.6	5.3%	$ 46,222.8	(4.4%)	$46,479.7	0.6%
Sunday magazines	729.0	1,292.0	77.2%	913.3	(29.3%)	2,396.5	162.4%	2,540.8	6.0%	1,918.4	(24.5%)	2,301.4	20.0%
Network television	33,763.2	36,886.1	9.2%	33,951.6	(7.9%)	33,164.3	(2.3%)	48,941.0	47.6%	50,125.4	2.4%	60,286.5	20.3%
Spot television	56,427.7	75,702.2	34.2%	86,280.1	13.9%	99,240.9	15.0%	89,511.8	(10.0%)	119,014.1	32.9%	150,763.0	(26.7%)
Radio	1,171.4	1,129.9	(3.5%)	1,409.4	24.7%	2,332.5	65.5%	4,996.8	114.2%	6,130.6	22.7%	6,365.8	3.8%
Outdoor	3,135.3	4,514.6	43.9%	4,960.5	9.9%	4,204.9	(15.2%)	3,878.2	(8.0%)	4,566.7	17.7%	4,213.9	(7.7%)
Six-media totals	$117,717.5	$145,086.1	23.2%	$160,090.7	10.3%	$187,258.6	17.0%	$198,228.2	6.0%	$227,978.0	15.0%	$270,410.3	18.6%

Table 2: Six-Media Advertising Expenditures, January-June 1983

Company Advertising (in $ thousands)

Consumer magazines	$92,814.9
Sunday magazines	1,886.5
Network television	70,962.9
Spot television	14,105.6
Radio	3,940.9
Outdoor	429.2
Six-media totals	$184,140.0

Association Advertising (in $ thousands)

Consumer magazines	$19,997.0
Sunday magazines	1,767.2
Network television	27,834.2
Spot television	91,810.4
Radio	2,444.4
Outdoor	4,140.2
Six-media totals	$147,993.4

Table 3: Ten Leading Company Advertisers
January-December 1982—In dollar (thousands) rank order

	Six-Media Totals	Consumer Magazines	Sunday Magazines	Network TV	Spot TV	Radio	Outdoor
Ford Motor Co.	$38,821.0	$17,567.4	—	$17,902.6	$1,205.1	$2,135.9	$10.0
American Telephone & Telegraph Co.	33,704.8	6,206.4	$147.0	26,164.7	1,185.6	—	1.1
General Motors Corp.	29,270.7	18,302.4	1,457.6	9,067.2	5.0	438.3	.2
International Business Machines Corp.	16,605.3	3,814.1	239.8	12,067.6	482.4	—	1.4
Shell Oil Co.	13,783.5	3,156.6	—	9,488.8	1,136.8	—	1.3
GTE Corp.	9,568.7	3,765.0	—	5,118.8	684.9	—	—
Phillips Petroleum Co.	8,209.5	1,761.0	—	784.3	985.7	4,678.5	—
Xerox Corp.	7,519.2	5,497.8	—	1,982.1	31.9	—	7.4
E.I. Du Pont De Nemours & Co., Inc.	7,418.1	94.5	—	7,293.4	27.0	—	3.2
International Telephone & Telegraph Co.	7,320.8	2,305.9	—	4,821.6	37.0	156.3	—
Totals	$172,221.6	$62,471.1	$1,844.4	$94,691.1	$5,781.4	$7,409.0	$24.6

Table 4: Ten Leading Association Advertisers
January-December 1982—In dollar (thousands) rank order

	Six-Media Totals	Consumer Magazines	Sunday Magazines	Network TV	Spot TV	Radio	Outdoor
General Motors Corp. Dealer Associations	$33,956.5	—	—	—	$33,842.4	—	$114.1
Nissan Motor Co., Ltd. Dealer Associations	20,315.1	—	—	—	20,064.3	—	250.8
American Dairy Association	20,150.5	$1,638.2	$68.7	$3,686.5	13,459.5	$794.2	503.4
State of Florida	17,756.7	357.7	—	17,081.1	317.9	—	—
Chrysler Corp. Dealer Associations	9,896.9	23.9	—	—	9,746.1	—	126.9
National Federation of Coffee Growers	9,380.1	1,696.5	23.1	6,762.7	897.8	—	—
Subaru of America, Inc. Dealer Associations	8,459.0	11.2	—	—	8,436.4	—	11.4
Ford Motor Co. Dealer Associations	7,871.5	—	—	—	6,947.8	—	923.7
American Gas Association, Inc.	7,281.0	3,906.1	—	3,232.4	135.7	—	6.8
Toyota Motor Co., Ltd. Dealer Associations	7,133.5	—	—	—	7,058.8	—	74.7
Totals	$142,200.8	$7,633.6	$91.8	$30,762.7	$100,906.7	$794.2	$2,011.8

Table 5: Ten Leading Company Advertisers
January-June 1983—In dollar (thousands) rank order

	Six-Media Totals	Consumer Magazines	Sunday Magazines	Network TV	Spot TV	Radio	Outdoor
Ford Motor Co.	$22,327.5	$9,652.6	—	$10,232.4	$2,252.3	$190.2	—
American Telephone & Telegraph Co.	20,384.9	7,104.8	—	13,279.7	.4	—	—
General Motors Corp.	13,928.6	5,126.5	—	6,556.1	831.5	1,414.3	$.2
International Business Machines Corp.	10,276.1	3,783.3	$234.0	5,755.3	54.3	449.2	—
E.I. Du Pont De Nemours & Co., Inc.	4,737.7	21.3	—	4,715.7	—	—	.7
Pfizer, Inc.	4,199.6	891.4	—	2,989.7	134.1	184.4	—
Chrysler Corp.	3,979.6	3,979.6	—	—	—	—	—
GTE Corp.	3,976.9	1,826.0	—	2,130.4	20.5	—	—
Amerco, Inc.	3,971.0	—	—	3,971.0	—	—	—
International Telephone & Telegraph Co.	3,360.0	1,581.7	—	1,778.3	—	—	—
Totals	$91,141.9	$33,967.2	$234.0	$51,408.6	$3,293.1	$2,238.1	$ .9

Table 6: Ten Leading Association Advertisers
January-June 1983—In dollar (thousands) rank order

	Six-Media Totals	Consumer Magazines	Sunday Magazines	Network TV	Spot TV	Radio	Outdoor
General Motors Corp. Dealer Associations	$25,057.0	—	—	—	$24,809.3	—	$247.7
Nissan Motor Co., Ltd. Dealer Associations	11,182.0	—	—	—	11,066.1	—	115.9
State of Florida	9,273.4	$990.0	—	$7,391.0	892.4	—	—
Ford Motor Co. Dealer Associations	9,021.3	—	—	—	7,645.6	—	1,375.7
American Dairy Association	7,142.7	126.0	$134.3	1,382.2	5,446.3	—	53.9
Chrysler Corp. Dealer Associations	5,077.7	—	—	—	5,043.0	—	34.7
Subaru of America, Inc. Dealer Associations	4,318.1	—	—	—	4,299.8	—	18.3
National Federation of Coffee Growers	4,287.0	495.6	25.9	3,323.7	441.8	—	—
Blue Cross & Blue Shield Associations	3,476.9	661.3	—	—	2,815.6	—	—
Commonwealth of Puerto Rico	3,167.5	2,989.5	160.9	—	—	—	17.1
Totals	$82,003.6	$5,262.4	$321.1	$12,096.9	$62,459.9		$1,863.3

January 1984

The Year Ahead

PUBLIC RELATIONS JOURNAL

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COMMUNICATION TECHNOLOGY

It's time to move beyond awareness to innovative use of the new tools

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January 1984 Vol. 40 No. 1

PUBLIC RELATIONS JOURNAL

The Public Relations Society of America (PRSA) is an individual-membership professional society of 11,800 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is, "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

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Study shows that public information campaigns work

Do information campaigns really "work"? A recent study says they do, and reveals some interesting facts about the people influenced most and the ways in which effects of campaigns are evidenced. The findings of the study, "Take a Bite Out of Crime: The Impact of a Public Information Campaign," were presented last August at the convention of the Association for Education in Journalism and Mass Communication (AEJMC).

The public service campaign studied, under a U.S. Department of Justice grant, was the Advertising Council's "Take a Bite Out of Crime." Research included a national sample survey of 1,200 adults, conducted by the Roper Organization, and a panel survey with a probability sample of 1,049 adults in Denver, Milwaukee and Buffalo.

The purpose of the Ad Council's campaign was to promote citizen competence in crime prevention, through fostering: public awareness of prevention methods; positive attitudes about effectiveness of citizen activities; confidence in ability to take action to stop victimization; concern for protecting self and others; and actions to reduce crime.

The national sample analysis found that 52 percent of respondents recalled having seen the campaign's public service announcements (PSAs), primarily on television; and 33 percent encountered the PSAs more than 10 times. Among panel survey members, 48 percent reported exposure to the campaign messages.

At the AEJMC convention, Garrett J. O'Keefe, professor of mass communication at the University of Denver, reported that according to the study those exposed to the campaign showed significant gains toward meeting three of the Ad Council's crime prevention objectives: awareness; positive attitudes; and feelings of personal competence in protecting self from crime.

The campaign appeared to have no effect, however, on creating feelings of personal responsibility for helping prevent crime, or on increasing personal involvement regarding crime prevention. According to Mr. O'Keefe, "These findings held even when controlling for possible intervening variables [such as] encounters with other crime prevention campaigns, exposure to crime-related mass media content, direct encounters with crime, or having been victimized." Noting that "The most stringent test of an information campaign's effectiveness is whether changes in people's actions or behavior can be traced to their exposure to the campaign," he reported significant changes in six of the seven prevention activities specifically recommended in the PSAs.

The table reflects changes in crime prevention activities promoted by the campaign. The "Time 1" column indicates percentage of respondents in pre-campaign interviews who consistently took indicated actions. "Time 2" columns show net-change percentages for frequency of activity among those exposed and unexposed to the campaign.

Some other findings regarding the effects of the campaign:

- Increases in prevention activities consistently were greater among individuals with *lower* initial levels of awareness and prevention knowledge and confidence.
- Neighborhood observing showed sharpest increases among those with a greater awareness of rising neighborhood crime and vulnerability.
- Neighborhood-organizing efforts increased significantly among those who saw themselves as likely victims of burglary or assault.
- Police reporting rose only among those who felt threatened to a lesser degree (although reporting initially

PSA IMPACT ON CRIME PREVENTION ACTIVITIES

Activity	Time 1	Time 2	
	Percent Taking Action Consistently	Percent Net Change: Exposed Group	Percent Net Change: Unexposed Group
Leave outdoor lights on	41	+29	+ 9
Use timer on indoor lights	30	+18	-13
Have neighbors watch house	62	+26	+11
Keep watch on neighborhood	82	+ 4	- 1
Report suspicions to police	33	+ 5	- 5
Join others to prevent crime	13	+10	+ 1
Have a dog for security	42	+19	+11

was more frequent among those who felt threatened to a great degree, suggesting a ceiling effect).

Regarding opinion leaders, Mr. O'Keefe stated that, "As expected, crime prevention opinion leaders prior to the campaign correlated positively and significantly with prevention knowledge and confidence, police reporting, neighborhood observing, and [memberships in] organizations. However, opinion leaders . . . exposed to the campaign significantly increased their confidence in citizen prevention measures, including outdoor lighting and joining organizations. . . . Opinion followers showed substantial gains in levels of knowledge and confidence, as well as in police reporting, joining and neighborhood observing. These data further support a view that opinion leaders are not as necessary to information and influence dissemination as they may have been several decades ago. In this instance, opinion followers appear to be undergoing changes as a direct consequence of exposure to the campaign . . . [and] it seems clear that campaign exposure was at minimum a major agent of change."

Mr. O'Keefe concluded, "Taken at face value, these findings go far in refuting many of the hypotheses and assumptions concerning campaign efficacy posed [by limited-effects theory] in earlier decades. And they tend to support more recently suggested views of the media [as] having potential for more substantial persuasive effects."

James A. Files
Northern Arizona University

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Burrelle's Clipping Service scores scoop; gains AP wires

Livingston, N.J. (Nov. 7) — Beginning today, Burrelle's Press Clipping Service has filled the single gap in its coverage by initiating the monitoring of the A and F wires of the Associated Press.

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March 1984

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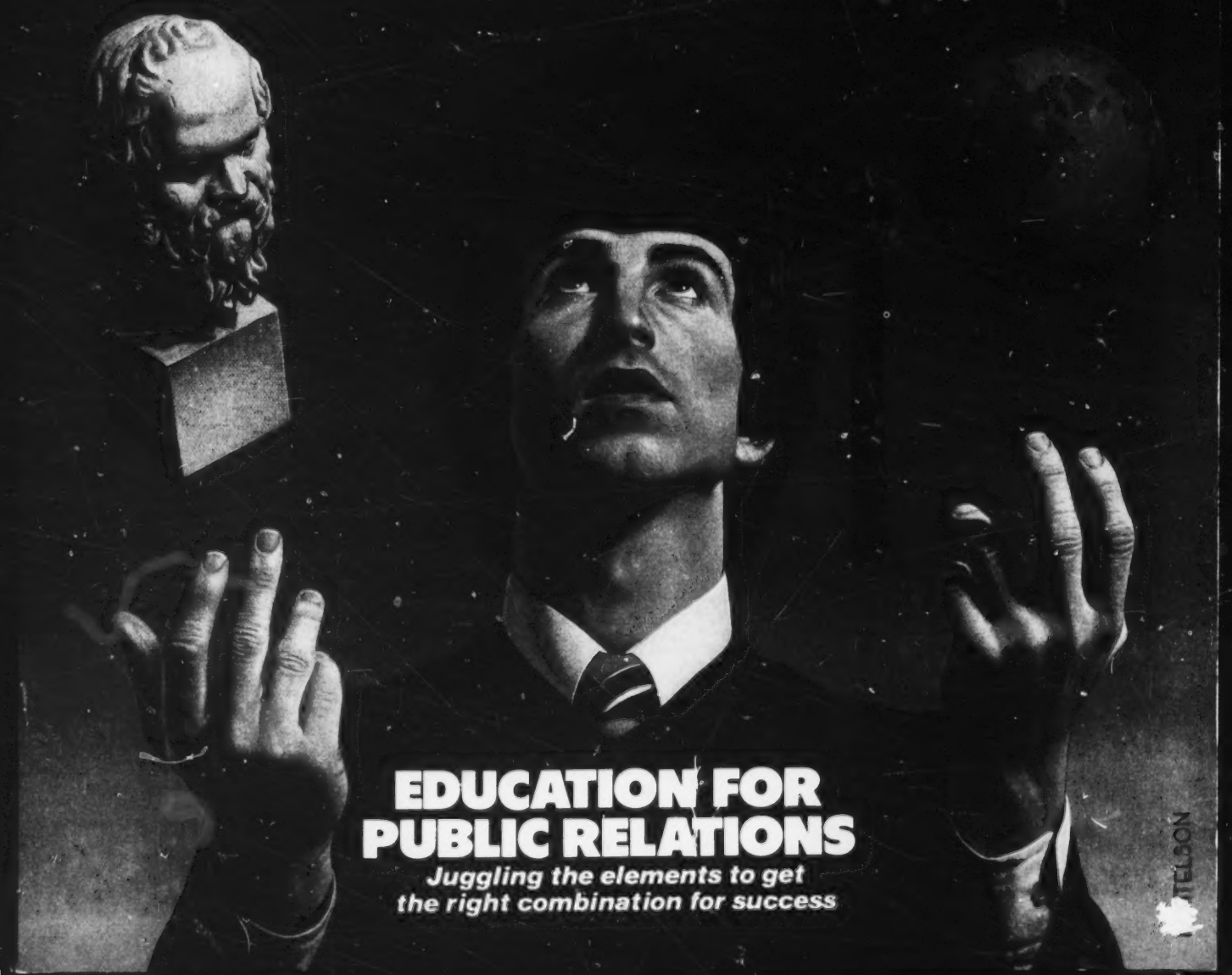

EDUCATION FOR PUBLIC RELATIONS

Juggling the elements to get the right combination for success

TELSON

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PUBLIC RELATIONS JOURNAL

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NEW PROFESSIONALS: A PROFILE

A survey of recent graduates reveals first-job experiences, entry-level salaries, areas of placement, and valuable career advice for students

Frederick (Chris) Teahan

WHAT is life like in the "real world" for recent college graduates? To find out, the Public Relations Society of America surveyed 200 former Public Relations Student Society of America (PRSSA) members who graduated in 1983. The questionnaire, mailed in January of this year, asked for information on their first-job experiences in public relations—if, indeed, they were lucky enough to enter the field they had prepared for in school; how, when and where they got these jobs; entry-level salaries; and extent of their in-school practical experience in the field. In addition, the new professionals were asked to identify the techniques and skills for which they felt academically ill-prepared.

Ninety-three questionnaires were returned, a response rate of 46.5 percent. Of these, 84 were usable. Eighty-one percent of usable returns were from women. This figure reflects PRSSA national membership statistics for 1983, which showed that 77 percent were female.

Most of the women respondents, 76 percent, succeeded in entering public relations upon graduation; 24 percent, 12 months after earning their degrees, have not yet made it.

Usable responses from men totaled 16, or 19 percent. Thirteen men reported that their first postgraduate jobs were in public relations. Three are still working in nonrelated areas.

The big question

The question most frequently asked by PRSSA members in their senior year is, naturally, "What can I expect as a beginning salary?" One might surmise from the preponderance of successful women in public relations that their entry-level salaries would be higher than, or at least equal to, those of men. However, although the highest salary reported in the survey ($22,800) was earned by a woman with a bachelor's degree, average earnings for women with B.A.s was $13,800—$1,438 less than the average of $15,238 paid to men with B.A.s.

According to a similar survey conducted by PRSA in 1980, average salaries were $11,999 for women and $13,717 for men, a difference of $1,718. So while the earnings gap has narrowed slightly, men still have the edge. [*See "1980 Graduates: Where Did They Go? What Did They Earn?" February 1982, page 12.*]

The disparity between entry-level salaries for men and women with B.A.s is even more tellingly illustrated by the fact that the *lowest* compensation reported by a female, who was with a West Coast counseling firm, was $6,000, while that for a male, employed by an association in the Pacific Northwest, was $9,360.

On the other hand, the three women respondents with master's degrees, all in communication, were paid an average of $18,900. The single male respondent with an M.A. earned $18,300.

Those respondents to the nationwide survey who were working in public relations represented 26 states and the District of Columbia. Table I indicates average entry-level salaries by state of men and women with bachelor's degrees. Women found their first jobs in 23 states, but none reported employment in Louisiana, Massachusetts or Minnesota. Men respondents were employed in only nine states. The state paying the highest average salary to women was Pennsylvania ($18,962); men earned the most, on average, in Ohio ($17,466). The three women with M.A.s worked in as many different states, the highest earner, with $22,000, in Texas. The one male M.A. was employed in Virginia.

Geographical best bets

Table II, average beginning salaries by PRSA district, shows that the highest average salary for women practi-

Dr. Teahan, APR, is vice president, education, Public Relations Society of America, and has been executive director of PRSSA since its establishment in 1967.

Table I: Average Beginning Salaries By State

Based on 52 women and 13 men who entered public relations. Parenthetical figures indicate number of respondents.

	Women with B.A.*	Men with B.A.		Women with B.A.*	Men with B.A.
AZ	$ 12,000 (1)	—	MO	$ 12,000 (1)	—
CA	14,450 (6)	$ 13,260 (1)	NE	11,370 (1)	—
DC	15,250 (2)	—	NH	12,000 (1)	—
FL	13,100 (5)	—	NY**	15,633 (3)	—
GA	12,341 (1)	9,600 (1)	OH	14,167 (3)	$ 17,466 (3)
HI	16,500 (1)	—	PA	18,982 (2)	—
IA	14,700 (1)	—	SC	8,500 (1)	15,200 (1)
IL	13,667 (3)	—	TN	9,570 (1)	—
IN	13,750 (1)	—	TX	15,400 (3)	—
KS	13,500 (1)	—	WA	13,604 (3)	11,180 (2)
LA	—	12,000 (1)	WVA	15,500 (1)	—
MA	—	20,000 (1)	WI	10,500 (1)	—
MD	15,500 (1)	—			
MI	15,300 (2)	22,000 (1)			
MN	—	16,000 (1)			

	Women with M.A.	Men with M.A.
CA	$ 20,800 (1)	—
TX	22,000 (1)	—
VA	13,900 (1)	$ 18,300 (1)

** Two salaries, the highest and the lowest, were not averaged; one respondent did not give salary.*
*** All New York City.*

Table II: Average Beginning Salaries By PRSA District

Based on 52 women and 13 men who entered public relations. Parenthetical figures indicate number of respondents.

	Women with B.A.*	Men with B.A.		Women with B.A.*	Men with B.A.
East Central	$ 15,590 (9)	$ 18,600 (4)	Southeast	$ 11,720 (9)	$ 12,400 (2)
Mid-Atlantic	15,333 (3)	—	South Pacific	14,940 (6)	13,260 (1)
Midwest	12,796 (7)	16,000 (1)	Southwest	14,925 (4)	12,000 (1)
Northeast	12,000 (1)	20,000 (1)	Tri-State**	15,633 (3)	—
North Pacific	13,203 (4)	11,180 (2)			

	Women with M.A.	Men with M.A.
Mid-Atlantic	$ 13,900 (1)	$ 18,300 (1)
South Pacific	20,800 (1)	—
Southwest	22,000 (1)	—

** Two salaries, the highest and the lowest, were not averaged; one respondent did not give salary.*
*** All New York City.*

> ***"A startling 72 percent of the men and 60 percent of the women, including graduate-degree holders, confessed ignorance about budgeting."***

tioners with a B.A. was in the Tri-State District (specifically, New York City); no men reported jobs in this location. The highest-paying district for men—and the only area in which averaging was possible—was the East Central, with three respondents in Ohio and one in Michigan. Although this was the second-highest-paying district for women, average salary of the four men was $3,000 more than that of the nine women. The lowest-paying geographical area for men with a bachelor's degree was the Southwest District; for women, it was the Southeast. The Southwest District was the most rewarding for female holders of an M.A.

Table III lists average entry-level salaries by public relations sectors. Although the largest number of newly graduated women with a B.A. was hired by corporations, and the largest number of men by counseling firms, the most rewarding field for both sexes, where salary averaging was possible, was hospital public relations. Counseling firms offered the lowest average entry-level salary to both women ($12,950) and men ($13,667).

The highest average salary at the M.A. level, $21,400, was earned by women in corporate public relations. The male respondent with a graduate degree received $18,300 in educational-institution public relations.

Internships: the big payoff

In previous nationwide surveys of PRSSA graduates, conducted in 1972 and 1980, one of the questions was, What was the source of your first full-time public relations job? The most frequent answers were "a personal mail campaign" and "my teacher."

The current survey posed the same question. While teachers and self-reliance (including "knocking on doors") continued to be cited in 1984, 40 percent of the women and 30 percent of the men reported that sponsors of their in-school internships snapped them up at graduation. The ultimate value of internships was first noted in 1980, when 22 percent of the respondents attributed their first full-time public relations employment to previous part-time sponsors. Twelve years ago, such a response was rare.

Another question asked in the '72 and '80 studies was repeated in the '84 survey: Now that you have entered the profession, what public relations techniques/skills did your schooling least prepare you for? A list of possibilities was provided for respondents

Table III: Average Beginning Salaries By Public Relations Sector

Based on 52 women and 13 men who entered public relations. Parenthetical figures indicate number of respondents.

	Women with B.A.	Men with B.A.
Corporate	$ 14,726 (17)	$ 14,800 (2)
Counseling	12,950 (9)	13,667 (3)
Not for Profit	13,010 (5)	14,600 (2)
Association	14,100 (4)	22,000 (1)
Government	13,613 (4)	18,000 (1)
Hospital	15,904 (5)	16,830 (2)
Education	$ 11,370 (1)	$ 18,300 (1)
Entertainment	6,000 (1)	—
Public Relations Trade Journal	16,500 (1)	—
Real Estate	16,200 (1)	—
Not Stated	— (1)	—

	Women with M.A.	Men with M.A.
Corporate	$ 21,400 (2)	—
Education	—	18,300 (1)
Government	13,900 (1)	

> ***"The most frequent counsel offered by respondents working in public relations was to have as many internships as possible."***

to check: telecommunications, the printing process, general business practices, photography, graphics, and, of course, other. Two new areas, program budgeting/billing techniques and computer technology, were added in '84. A startling 72 percent of the men and 60 percent of the women, including graduate-degree holders, confessed ignorance about budgeting. A not-so-surprising 45 percent of the men and 43 percent of the women were floored by computers. Photography, business practices, and writing, the *bêtes noires* of the 1972 neophyte, were virtually unmentioned.

Despite the continuing gap between men's and women's entry-level salaries, their experiences during the transition from student to professional are much alike:

- The average age at which they landed their first public relations jobs was 23.
- Seventy-five percent of respondents got their first professional work in their home states, and 10 percent did so in contiguous states. Only 15 percent relocated.
- The majority reported a wait of one to two months between graduation and their first professional jobs.
- Nearly 85 percent had public relations internships while in school.
- Most of those with a bachelor's degree said they intended to pursue graduate study.

The not so lucky

Sixteen women respondents with B.A.s in communication/public relations said they had not found jobs in their chosen field after searching for five months or longer. Graduated from 16 different colleges and universities, five of these women said they were working for advertising agencies, and four said they were in "sales." The remaining seven were biding their time as waitresses, temporary help, insurance agents or a "documentalist." Their average salary was approximately $10,500, or $3,300 less than their more fortunate classmates. One respondent, however, a sales representative with a consumer products firm, earned $18,500 at entry level and, eight months later, $20,000 (her salary was not averaged in with the above).

Three male B.A.s were unsuccessful in the public relations job market. One, settling for a position in the electronics industry, won a salary of $19,300—topping the average public relations male newcomer's paycheck by $5,583. The remaining two took jobs, after a four-month wait, in advertising ($12,000) and "entertainment" ($9,000).

Despite the fact that disappointment is discernible in their responses, a chin-up attitude can also be detected. As one respondent advised: "Keep in touch with those in the public relations field. Meanwhile, don't be afraid to take a job that increases work experience."

The most frequent counsel offered by respondents working in public relations was to have as many, and as diverse, internships as possible, paid or unpaid, during undergraduate years. One remarked, "Without an internship, you're at an unbelievable disadvantage in the job market," a statement that is borne out by data reported in this article. Another respondent, equally aware of the hazards of entering the "real world," offered this regarding internships: "If a . . . student has the advantage of being involved in public relations during his or her college career, the world outside college is a little less scary!"

Another common admonition: Get involved! "PRSSA creates a common ground for students and close to 12,000 PRSA members. But it takes more than a membership certificate to impress professionals. You need to get involved in chapter, district and national activities."

Finally, reflecting the unquenchable optimism of recent graduates, is the advice of a woman fully aware of the competition she faced: "*Don't* make the dollar amount a top priority in landing your first job. Look for the opportunity to grow and learn. Money will come eventually."

Postscript

On the whole, responses to the questionnaire were articulate, precise, informative and generous in advice. About 8 percent of returns, however, had to be scrapped. Despite a cover letter explaining why the sex of the *anonymous* respondent had to be identified for statistical purposes, "N/A" was frequently entered in the space provided next to "M" and "F." The same was true concerning entry-level salary and age. Suspicion that questionnaires were coded? Coyness? How dare you ask? Amusingly—if that's the way one cares to look at it—most of these correspondents, whose anonymity was guaranteed, requested that the results of the survey be mailed to their unprovided home addresses. Clues to the reasons for these curious reactions are invited by the stymied author. ■

May 1984 Not-for-Profit Public Relations

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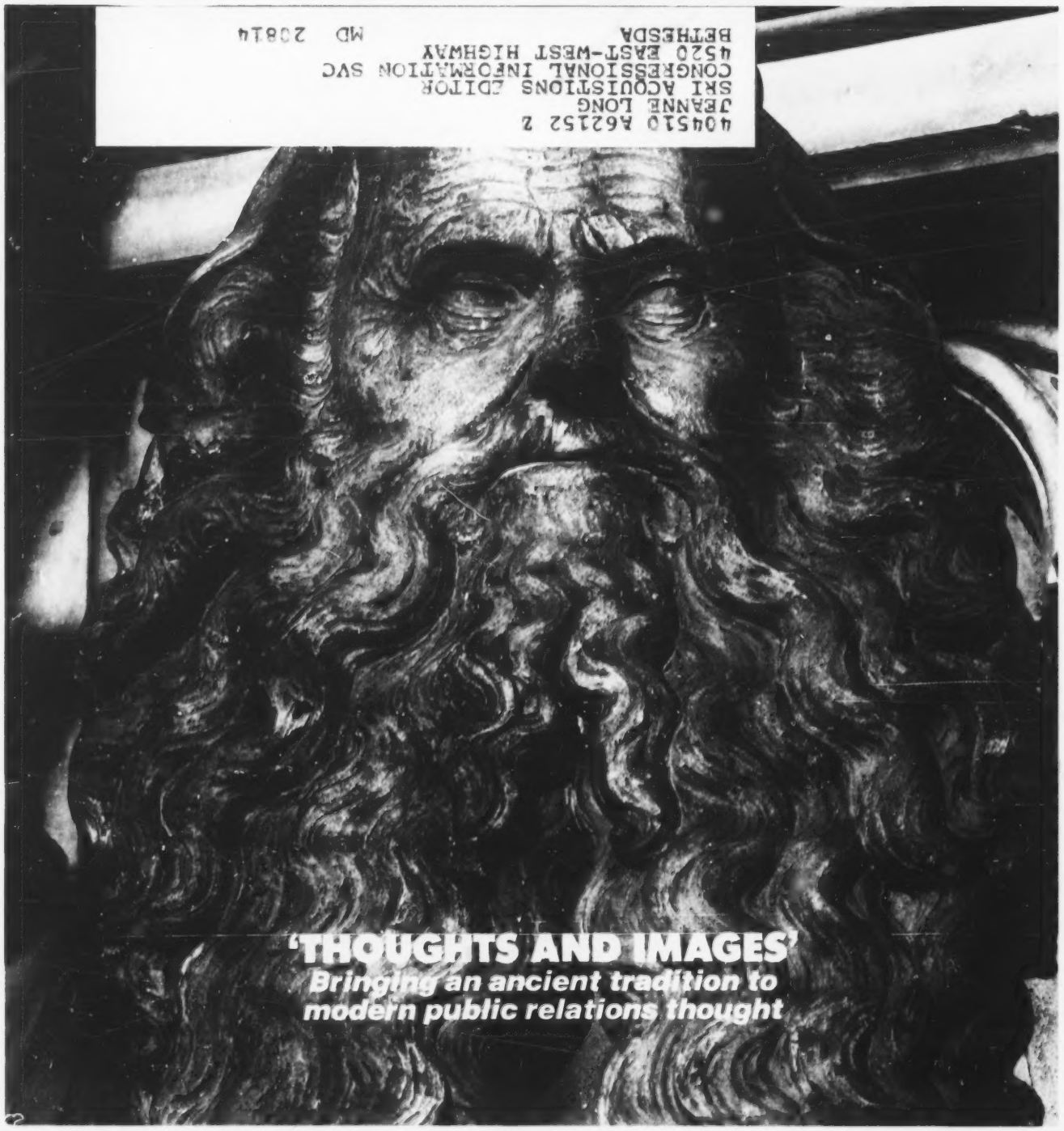

'THOUGHTS AND IMAGES'

Bringing an ancient tradition to modern public relations thought

May 1984 Vol. 40 No. 5

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Cover: *Detail from "Well of Moses" by sculptor Claus Sluter, from "Thoughts and Images" portfolio, copyright 1983 by Ruder Finn & Rotman, Inc. (page 12).*

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NOT-FOR-PROFIT COMPENSATION

Towers, Perrin survey reveals significant data on salaries, budgets, staffing and benefits for 23 executive positions in 178 NFP organizations

BASE salaries for not-for-profit executives—including the top public relations position—increased an average of 7.9 percent in 1983, and plans call for an additional 7.1 percent adjustment this year.

These and other bench-mark data on organization, position compensation, and compensation and benefits practices are revealed in Towers, Perrin, Forster & Crosby's (TPFC) second annual "Management Compensation Report for Not-for-Profit Organizations." Other important findings:

- 91 percent of responding organizations use executive salary ranges;
- only 18 percent provide selected executives with deferred-compensation arrangements, and the majority of those are trade associations;
- most prevalent supplemental benefits and perquisites are life insurance, professional club and association memberships, and parking.

TPFC, an international firm specializing in total compensation and human-resource consulting services, mailed 504 questionnaires to trade and professional associations, educational organizations, health and welfare organizations, and "others" located in the District of Columbia, Maryland and Virginia—the principal locale for not-for-profit organizations. A total of 178 usable returns (33 percent) were received, representing 1,446 employees in 23 surveyed positions. The typical respondent is a trade association headquartered in the District, with an annual operating budget between $2.1 million and $5 million, and between 21 and 50 employees.

Organizations were asked to indicate their budgets from six categories, ranging from less than $1 million to more than $20.1 million. The respondent profile shows that among trade associations (82 respondents), 23 have budgets between $1.1 million and $2 million, and a like number spend between $2.1 million and $5 million. Among professional associations (35 respondents), the largest group (11 respondents) has budgets between $5.1 million and $10 million, eight respondents checked $1.1 million to $2 million and the same number indicated $2.1 million to $5 million. Nine of the 26 educational organizations responding have budgets between $2.1 million and $5 million, followed by seven with $1.1 to $2

The complete survey report is available from Towers, Perrin, Forster & Crosby, Inc., 2101 L Street, N.W., Ste. 400, Washington, DC 20037.

"The typical survey respondent is a trade association headquartered in the District of Columbia. It has an annual operating budget of between $2.1 million and $5 million, and employs between 21 and 50 people."

million. Health and welfare's five respondents are evenly divided, with one respondent reporting for each of the budget ranges, except for the $1.1 million to $2 million range. Thirty "other" organizations also responded to the survey.

Almost half (40) of the reporting trade associations have 20 or fewer employees, while 23 have 21 to 50 workers. Fourteen of the professional associations have 20 or fewer employees, nine have 21 to 50. Ten of the educational organizations have staffs of 21 to 50, seven have 20 or fewer. The health and welfare organizations, again, are evenly divided among the range of employees, with one respondent in each of three groups, none in the 21 to 50 group, and two in the top group of 201 or more employees.

Compensation practices

The majority (91 percent) of all respondents assign executive positions to salary ranges, and most determine ranges based on market conditions. Respondents are about evenly divided on the use of formal job evaluations for executive positions, and most review salary ranges annually.

Further, deferred compensation is not prevalent among respondents, and among the 18 percent that do defer, the majority give executives a choice of how to invest the deferred payments.

Among 171 top executive officers from the responding organizations, the mean base salary is $90,400. For 85 top communication positions, the figure is $48,500; for 46 top public relations positions, $47,400; for 83 top editorial positions, $35,000; and for 35 top information-services positions, $30,700. "Mean" represents the weighted arithmetic average of all figures used in the computation [*see table*].

Twenty-one executive positions were surveyed in both 1982 and 1983, and a comparison, limited to the 63 respondents that participated in both surveys, shows that the highest mean percent increase (41.1) in base salary was for the top political action committee position. The greatest mean percent decrease (4.3) was for the top editorial position. Care should be used in applying these figures, however, since changes in the positions' incumbents would have an impact on the results.

In a further comparison of data from 1982 and 1983, mean salaries for top executive officers increased 7 percent; top communication executives, 11.2 percent; top public relations officers, 5.4 percent; and top information services executives, 16.9 percent.

Positions analyzed

Of the 46 top public relations positions surveyed, 20 are from trade associations, eight from professional associations, eight from educational organizations, one from health and welfare, and nine from "other."

Thirteen have been in position less than one year, and an equal number from one to three years. Eight have three to five years in the job, five have five to 10 years, and seven have 10 to 15 years.

The top public relations executives enjoy supplemental retirement (28 percent), life insurance (33 percent), medical coverage (22 percent), and supplemental disability insurance (24 percent).

Twenty-two percent receive luncheon-club memberships; 24 percent, physical examinations; 13 percent, spouse travel to annual meetings; 50 percent, parking; 37 percent, tuition assistance; and 65 percent, professional club and association memberships.

Of the 85 top communication positions represented by the respondents, 44 are from trade associations, nine

SUMMARY OF BASE SALARIES

(23 Positions Surveyed)

Top Position In:	Number Reporting	Lowest ($000)	Median ($000)	Mean ($000)	Highest ($000)
Chief Executive	171	25.5	79.6	90.4	270.0
Administration	117	17.4	45.4	46.8	121.0
Financial	100	13.8	36.2	39.5	99.0
Communication	85	15.0	45.4	48.5	114.5
Marketing	42	16.5	43.1	42.4	82.0
Government Relations	90	23.5	49.9	53.7	140.5
Public Relations	46	21.5	44.2	47.4	92.0
Editorial	83	10.0	32.8	35.0	80.0
Information Services	35	16.1	27.1	30.7	73.0
Political Action Committee	13	19.0	33.9	40.0	74.0
Public Policy/Regulatory	26	25.0	48.8	51.7	89.0
Conventions and Meetings	98	14.0	29.4	33.8	93.0
Education	47	24.0	43.1	46.0	97.0
Membership Development	61	13.0	31.7	35.0	82.9
Program	35	25.0	49.9	50.0	97.0
Technical/Research	66	16.0	47.6	52.4	240.5

COMPARISON: 1982 and 1983 MEAN BASE SALARIES

(21 Positions Surveyed)

	1982		1983		
Top Position In:	Number Reporting	Mean Salary ($000)	Number Reporting	Mean Salary ($000)	Percent Change
		(A)		(B)	
Chief Executive	62	98.1	62	105.0	+ 7.01
Administration	47	54.0	50	53.1	- 1.71
Financial	39	44.1	39	49.0	+11.24
Communication	44	50.4	33	56.0	+11.18
Government Relations	40	60.1	38	60.8	+ 1.33
Political Action Committee	7	34.0	6	48.0	+41.05
Public Policy/Regulatory	13	53.3	13	51.8	- 2.93
Public Relations	27	42.9	30	45.2	+ 5.44
Editorial	36	38.4	37	36.7	- 4.27
Information Services	18	29.5	17	34.5	+16.86

Aggregate percent change for 21 positions: 8.10

Summary percent change for 21 positions: $\frac{\text{Column A}}{\text{Column B}} = 7.29$

ANALYSIS OF TOP PUBLIC RELATIONS POSITION

	Number Reporting	Actual Salary Data ($000) Low	Median	Mean	High
Organization Type					
Trade Associations	20	21.5	48.3	53.0	92.0
Professional Associations	8	25.0	44.8	43.3	71.9
Educational Organizations	8	24.0	39.2	37.5	48.8
Health and Welfare Organizations	1	*	*	*	*
Other	9	26.0	38.9	47.1	80.4
Organization Budget					
Less than $1 million	2	*	*	*	*
$ 1.1 million-$ 2 million	4	21.5	44.0	44.6	68.7
$ 2.1 million-$ 5 million	12	24.0	39.9	44.8	86.0
$ 5.1 million-$10 million	12	25.0	43.1	48.8	92.0
$10.1 million-$20 million	5	26.0	40.0	43.9	71.9
$20.1 million or more	11	33.8	49.6	53.1	84.5
Total Employees					
20 or fewer	4	32.0	48.5	49.4	68.7
21- 50	9	21.5	37.9	45.0	86.0
51-100	12	24.0	36.2	44.9	92.0
100-200	9	26.0	42.5	46.4	71.9
201 or more	12	33.8	49.6	52.0	84.5
Time in Position					
Less than 1 year	13	24.0	33.8	34.8	47.0
1.1- 3 years	13	21.5	42.5	43.0	71.9
3.1- 5 years	8	31.7	44.1	50.4	86.0
5.1-10 years	5	46.8	49.6	53.8	68.7
10.1-15 years	7	46.6	73.1	71.2	92.0
15.1 years or more	0	*	*	*	*

*Not shown because fewer than four reported.

from professional associations, 13 from educational organizations, and two from health and welfare; 17 are from "others."

Thirty top communication executives have been in position one to three years, 19 less than one year, and 15 from three to five years. Nine have five to 10 years in position, eight have 10 to 15 years, and four have 15 or more years.

Benefits and perquisites communicators enjoy include retirement (26 percent), life insurance (33 percent), medical coverage (28 percent), and supplemental disability insurance (25 percent). Other benefits received by 20 percent or more of communicators surveyed include luncheon-club memberships (25 percent), physical examinations (25 percent), spouse travel to annual meetings (24 percent), parking (47 percent), entertainment budget (24 percent), tuition assistance (33 percent), and professional club and association memberships (65 percent). Only one communicator has an employment contract.

The public relations function is described as directing advertising, publicity and media relations, and speech writing. The position does not have responsibility for any publications. The communication position includes directing publications and public relations, and establishing policies and practices to develop and maintain the desired image of the organization. The position sometimes has responsibility for membership relations. ■

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PUBLIC RELATIONS

SAKAE OHASHI

One of Japan's top public relations practitioners comments on his profession

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Survey by ORC reveals practitioners' views on major issues

The opinions of public relations executives correlate well with those of executives in major and mid-sized companies and with Washington, DC thought leaders regarding appraisal of corporate performance in key issues areas.

According to survey results just released by Opinion Research Corporation (ORC), Princeton, New Jersey, there is a high level of agreement among the four groups on the rank order of issues for which the business community's performance is rated "excellent" or "good" compared with municipal, state or Federal government or not-for-profit organizations. In fact, although rating percentages vary somewhat across the four groups, the extent of agreement on rank order is statistically significant well beyond the .001 level, according to Harry W. O'Neill, ORC president [*see table on next page*].

ORC asked 189 members of the Public Relations Society of America, 556 executives in major companies, 502 executives in mid-sized companies, and 103 Washington thought leaders to rate the business community's perceived performance on such issues as protecting the health and safety of employees, working to effect fair international trade policies, and preserving world peace.

As the table shows, more than half of the public relations respondents perceive business as doing an "excellent" or "good" job on the first three issues listed. More than half of major company respondents feel the same way about the first five issues and the seventh, and better than half of mid-sized company respondents give business top marks on the first four issues. Business performance is less highly regarded by the Washington thought leaders.

Public relations executives also are critical of business performance. In nine issues areas thought by many to be vital to national welfare—including hazardous waste disposal, providing adequate water supply, retraining workers, preserving world peace, and preventing the flow of illegal drugs into the United States—less than 25 percent of public relations respondents give business top marks.

Who's responsible?

The ORC questionnaire gave respondents the opportunity to register "no opinion" and "business has no responsibility." The latter category uncovered some interesting opinions.

For example, eight percent of public relations executives, 7 percent of major company respondents, 10 percent of mid-sized company executives, and 5 percent of thought leaders believe business has no responsibility for improving the quality of public education in the United States.

Other issues areas in which business has no responsibility according to a significant number of public relations respondents: supporting the rebuilding of roads, bridges and tunnels (20 percent); doing something to preserve world peace (19 percent); helping third-world countries to improve their standards of living (22 percent); using their [business'] influence to prevent the flow of illegal drugs into the United States (32 percent); and standing up for human rights in other countries (34 percent).

Similar "no responsibility" reactions are registered in approximately the same percentages by the other groups on roughly the same issues. A notable exception is the thought leaders' response to helping third-world countries improve their standards of living. Only 9 percent of the Washington group feel business has no responsibility in this area.

Commenting on the responses from public relations executives, Thomas W. Campbell, APR, vice president, public affairs, Cooper Industries, Inc., observed: "It is distressing that a large percentage of our members either have no opinion or think that business has no responsibility for supporting a number of key issues that are the objects of intense efforts by certain business groups."

According to Mr. Campbell, to say that companies are powerless or that they have no responsibility with respect to

ABOUT ORC

Opinion Research Corporation, a subsidiary of Arthur D. Little, Inc., is a pioneer and leader in the survey research field. The firm's assignments range from simple fact gathering to attitudinal and behavioral surveys involving the collection and interpretation of sensitive subject matter from hard-to-interview populations.

An important aspect of ORC's research is the team approach, in which a number of researchers with different specialties contribute to the planning, execution and interpretation of the research.

In addition to custom research for private- and public-sector clients, ORC conducts shared-cost research, such as its Caravan Surveys (a continuing series of nationwide omnibus studies), and multisponsor research, which includes the Public Opinion Index and the ORC Marketing Index.

The firm, founded in 1938, is headquartered in Princeton, New Jersey and has offices in Chicago, New York, San Francisco and Washington, DC.

such issues as rebuilding America's infrastructure, or helping to preserve world peace, or helping third-world countries is to abdicate one's responsibility as a human being and as a member of the world community.

"The survey results indicate," Mr. Campbell explained, "that public relations practitioners are lagging behind their top managements in awareness of those key issues and in appreciation of the role that business can play in curing social ills and satisfying human needs world-wide. I'm not suggesting that public relations practitioners be bleeding hearts, but they should at least be abreast of their chief executive officers in awareness and call attention to the human condition where awareness is lacking.

"It's still a bottom-line situation," Mr. Campbell continued. "A company can't operate successfully in countries torn by strife born out of starvation and oppressive policies. Companies can make a difference. Witness the successes of the Sullivan organization, a group of about 150 volunteer companies with operations in South Africa, which is making notable progress in employment and educational opportunities for non-whites in that country." [*See also, "Shareholder Resolutions," April 1983, page 40.*]

Mr. Campbell, chairman, PRSA's national Issues Identification Committee, arranged with ORC for the research firm to include, on a *pro bono* basis, 300 to 500 public relations practitioners in its semi-annual survey of opinions on key issues. Mr. Campbell's committee compiled a list of issues and PRSA's national Research Committee, chaired by Dorothy Gregg, Ph.D., APR, executive vice president, Research & Forecasts, Inc., arranged for selection of a representative panel of PRSA members.

APPRAISAL OF CORPORATE PERFORMANCE

Rating of the kind of job the business community is perceived as doing on the key issues compared with others that may be responsible—such as municipal, state, or Federal government, or not-for-profit organizations.

	Percent Rating Business "Excellent" or "Good" (Ranking)			
Issues	**Public Relations Executives** (189)	**Executives in Major Companies** (556)	**Executives in Mid-Sized Companies** (502)	**Washington Thought Leaders** (103)
Protecting the health and safety of employees	74 (1)	84 (1)	78 (1)	42 (1)
Supporting not-for-profit organizations	65 (2)	65 (3)	57 (3)	42 (2)
Managing the assets of pension funds in a responsible manner	61 (3)	81 (2)	62 (2)	40 (3)
Controlling costs to hold down inflation	40 (4)	60 (5)	56 (4)	29 (5)
Paying a fair share to have cleaner air and water	39 (5)	63 (4)	39 (7)	20 (8)
Developing adequate energy supplies for the future	37 (6)	43 (8)	37 (8)	32 (4)
Providing equal pay for equal work	36 (7)	58 (6)	49 (5)	20 (9)
Taking steps to ensure the future competitiveness of U.S. business in world markets	34 (8)	46 (7)	45 (6)	28 (6)
Working to effect fair international trade policies	27 (9)	38 (10)	36 (9)	27 (7)
Doing something to hold down the cost of health care	26 (10)	36 (11)	26 (11)	12 (15)
Improving the quality of public education in the United States	26 (11)	25 (13)	27 (10)	12 (14)
Paying a fair share to clean up hazardous industrial waste dumps	24 (12)	40 (9)	22 (15)	17 (11)
Paying a fair share to have an adequate supply of water for the future	24 (13)	35 (12)	23 (12)	17 (10)
Preventing the flow of proprietary technology from the United States to foreign countries	18 (14)	23 (14)	22 (14)	14 (12)
Retraining workers whose skills are obsolete	14 (15)	18 (17)	23 (13)	10 (17)
Supporting the rebuilding of roads, bridges, and tunnels in the United States	12 (16)	12 (18)	19 (17)	11 (16)
Doing something to preserve world peace	12 (17)	18 (16)	20 (16)	9 (18)
Helping third-world countries to improve their standards of living	11 (18)	20 (15)	19 (18)	12 (13)
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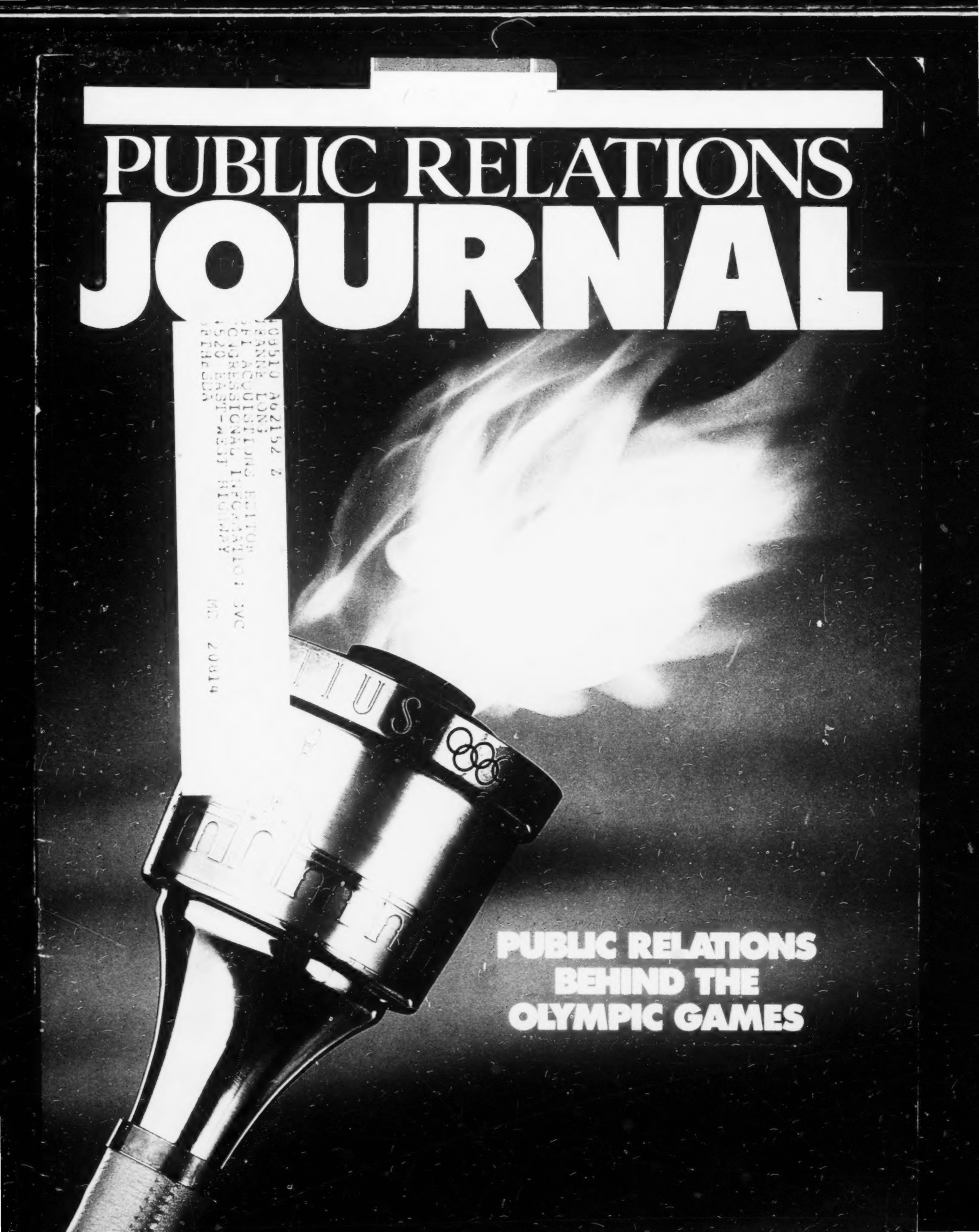

PUBLIC RELATIONS BEHIND THE OLYMPIC GAMES

September 1984 Vol. 40 No.9

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The Public Relations Society of America (PRSA) is an individual-membership professional society of 11,800 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is, "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

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Consumerism

Complaint study endorses consumer-affairs function in business

The Council of Better Business Bureaus' (BBB) annual statistical summary of "Inquiries and Complaints" is a real endorsement for the consumer-affairs function in business.

The tabulations identify the top complaint categories and the top complaint settlement categories. The top settlement categories correlate closely with those industries that have consumer-affairs professionals or are tied into industry-organized, third-party complaint resolution systems.

Top Complaint Categories	*Percent of All Complaints*
Mail order companies	20.94
Franchised auto dealers	6.40
Home furnishing stores	2.56
Magazines ordered by mail	2.49
Misc. home maintenance companies	2.47
Auto repair shops	2.23
Department stores	2.02
Misc. automotive service companies	1.85
Insurance companies	1.58
Dry cleaning/laundry companies	1.57
Television servicing companies	1.53
Home remodeling contractors	1.48
Appliance service companies	1.18
Apparel accessory companies	1.16
Roofing contractors	1.09

BBB is correct in its statement that volume alone is often not an adequate basis for evaluating the significance of complaints within an industry.

BBB's "Settlement Index" measures business's efforts to resolve these consumer problems when they arise.

Highest Settlement Rates	*Percent of Complaints*
Banks	87.7
Department stores	87.0
Credit card companies	86.1
Franchise auto dealers	85.6
Telephone companies	83.4
Direct selling (encyclopedias)	83.3
Chain food stores	82.6
Savings and Loans	82.5
Insurance	80.4
Drug stores	80.2
Consumer finance and loan	79.6
Doctors	79.6
Hospitals/clinics	79.3
Freezer food plan companies	78.5

Lowest Settlement Rates	*Percent of Complaints*
Waterproofing companies	59.2
Plumbing contractors	58.0
Advertising and soliciting organ.	57.9
Gardening/nursery products	57.0
Misc. home maintenance companies	56.2
Reupholstery shops	56.1
Tax preparation companies	56.0
Carpet and upholstery cleaning	55.8
Roofing contractors	55.7
Heating and central air conditioning	55.2
Floor covering stores	54.4
Paving contractors	53.1
Business opportunity companies	44.4
Work-at-home offers	41.6
Employment services	41.6

Complaint Categories	*Percent of All Complaints*
Unsatisfactory service	19.9
Delivery-delay/damage	19.2
Unsatisfactory repair	13.7
Product quality/performance	13.6
Credit/billing	11.6
Failure to provide refunds	6.4
Guarantee/warranty	5.3
Selling practices	4.6
Advertising practices	4.2
Discontinued business	1.5

Complaint handling benefits include: market advantage, product improvement, decreases service costs.

The consumer-affairs function needs high corporate priority, including CEO recognition and involvement.

Many innovative consumer complaint-resolution techniques are being used by industry leaders. Model programs that deserve attention: Whirlpool's Cool Line and telephone feedback; Maytag Service Evaluation card program; Ford's Consumer Appeals Board; Chesebrough-Pond's personalized response process; Corning's consumer service settlement-on-the-spot program.

Also, a number of third-party complaint resolution systems have been formed, including: Autocap (automobiles); FICAP (furniture); MACAP (major appliances); HOW (Home Owners Warranty).

For those public relations professionals counseling small business, consumer complaint handling and service should get as much attention as they do from bigger clients with more sophisticated consumer awareness.

Harland W. Warner, APR
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